

Fiscal Services Division Legislative Services Agency Fiscal Note

HF 2499 - Keg Registration (LSB 6813 HV)

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Fiscal Note Version - New

Description

House File 2499 requires liquor control licensees and beer permittees, that sell beer for off-premises consumption, to affix an identification sticker provided by the Alcoholic Beverages Division to each keg of beer exceeding five gallons at the time of a retail sale. The licensee or permittee is required to purchase the sticker from the Division at cost.

The Bill makes it a simple misdemeanor for any liquor control licensee or beer permittee to fail to affix at the time of sale, deface, fail to record a keg identification sticker, or make a record of keg identification stickers available for inspection by a law enforcement officer during normal business hours.

Assumptions

1. The licensees and permittees record and keep track of the sticker numbers and who purchased the keg. The store clerk would do this as part of the clerk's normal duties.
2. The Division would post on their web page, for review by law enforcement, a list of numbers issued to licensees or permittees. The Division will use current staff to perform the additional duties.
3. The actual production cost of the sticker and the actual postage cost is the only cost passed on to the licensees and permittees. No Division staff time is associated with the sticker cost.
4. There are 75,000 kegs of beer exceeding five gallons sold in Iowa by licensees each year requiring 3,000 sticker books.
5. Each book of stickers will contain 25 stickers and cost \$3.25 to produce. Each book of stickers will cost \$1.75 to mail to the licensee. The Alcoholic Beverages Division will obtain and distribute the books utilizing current staff.
6. The Division will distribute 5,000 books in FY 2005, 1,000 books in FY 2006, and 3,000 books each year thereafter.
7. There is no readily available data with which to predict the number of violations involving affixing and recording identification stickers.

Correctional Impact

There is no readily available information to determine the correctional impact for the new crime created under the Bill. To the extent that additional violations are prosecuted, the average State costs associated with imposing criminal penalties for one conviction of a simple misdemeanor ranges from \$14 (court costs) to \$300 (court costs plus indigent defense).

Fiscal Impact

House File 2499 will have no net fiscal impact on the Beer and Liquor Control Fund. The cost to produce and distribute the identification stickers will be paid from the Beer and Liquor Control Fund and liquor control licensees and beer permittees will reimburse those costs to the Fund.

Licensees and permittees will reimburse the Beer and Liquor Control Fund \$25,000 in FY 2005, \$5,000 in FY 2006, and \$15,000 each year thereafter.

The Bill will have no fiscal impact on local government.

Source

Department of Commerce Alcoholic Beverages Division

Dennis C Prouty

March 10, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
